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C O N F I D E N T I A L LIMA 001046

SIPDIS

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TAGS: PGOV REL PINR PE CASC
SUBJECT: PROTESTS IN SOUTH HIT TWO REGIONS

Classified By: Amb. P Michael McKinley for reasons 1.b and d.

¶11. (C) Summary: Thousands of protesters in the southern Moquegua region have blocked two major transportation arteries and temporarily took police hostages in a dispute with the neighboring region of Tacna over the distribution of mining canon moneys. The Council of Ministers (PCM) on July 16 successfully negotiated an agreement between regional authorities of Moquegua and Tacna to end the protests and resume dialogue over the distribution of the canon, but protest leaders so far have refused to disband. Some observers say the Moquegua government instigated this protest as a political stunt but has since lost control. Activity in Tacna and Moquegua has slowed to a crawl, and the central government is helping stranded tourists evacuate. The Embassy has been in touch with the leader of a group of archeologists stranded in Moquegua from Chicago's Field Museum who were reportedly flown to Arequipa out of harm's way mid-afternoon June 17. End Summary.

Thousands of Protesters Block Roads, Take Police Hostages

¶12. (SBU) Some 5,000 to 7,000 protesters in the southern Moquegua region since last week have blocked two major transportation arteries in support of Regional Government demands that the central government adjust the distribution of mining tax canon between Moquegua and neighboring Tacna. Our contacts in the area say that events took a turn for the worse June 16 when protesters confronted a police force sent to clear the area and temporarily took sixty hostages, including the regional chief of police. (Note: Press reports indicate all were released as of Tuesday evening, June 17th. End Note.) Police forces subsequently retreated and appear unwilling to force the issue and risk serious casualties. Representatives from the Human Rights Ombudsman ("Defensoria del Pueblo") office have traveled to the area to attempt to free the hostages. According to a Defensoria contact, news articles reporting up to 20,000 protesters are exaggerated.

Negotiations Advance

¶13. (SBU) The Council of Ministers (PCM) on June 15 successfully negotiated an agreement between leaders in the regional governments of Moquegua and Tacna to end the protests and resume dialogue over the distribution of the mining canon moneys. Moquegua authorities have since called on the protesters to disband but without effect. Maria Cristala Constantinides, leader of Moquegua's Defense Front and a former Regional President, said publicly that the protests will continue until the negotiations reach an agreement on

the canon or at least through Tuesday June 17. Prime Minister Jorge del Castillo told the press that he has offered a compromise over the distribution of mining canon moneys between the two regions while also promising that the central government would not reduce resources going to Tacna.

(Note: Changing the law that describes the calculus by which the mining canon is distributed regionally is, theoretically at least, the prerogative of the legislative rather than the executive branch. End Note.)

Moquegua Government Sought to Distract Attention

¶4. (C) The Foreign Ministry representative in the two regions, Efrain Saavedra, says he believes that the Moquegua government instigated this protest as a political stunt but has since lost control. The distribution of mining canon between the two regions has been the same for the last four years without provoking complaint, he argued. Now the only difference is that the regional government faces a possible recall election and wants to distract the populace. Saavedra fears that the thousands of campesinos and miners the regional government brought in to lead the protests will be much more difficult to demobilize. Echoing the claims of other observers, an NGO leader familiar with the dispute told poloff that Moquegua officials have been asking the government to negotiate an adjustment to the canon distribution for about a year and resorted to protests in frustration.

Impact on Tacna and Moquegua

¶5. (C) Activity in Tacna (Peru's southernmost region bordering on Chile) has slowed to a crawl due to a lack of natural gas used in vehicles, according to Saavedra. The central government has flown in fuel and supplies and is contemplating sending further shipments to avoid a deterioration of the situation. The government also assisted the evacuation of various international tourists that had been stranded at the bus terminal. Saavedra told poloff that Tacna leaders are threatening to call a counterstrike if the conflict is not resolved soon. The Regional President of Tacna, Hugo Ordonez, has publicly called on central government authorities to end the road blockades. Activity in Moquegua has also halted, and the Peruvian National Police have assisted the evacuation of international tourists, including three Americans. An archeological group of 10 AMCITs from Chicago's Field Museum has been in contact with the Embassy's Consular Section, and by mid-afternoon June 17 were reportedly flown to neighboring Arequipa out of harm's way. According to estimates cited in the press, the strikes could cost the two regions millions of dollars in economic losses.

MCKINLEY